Export of Cotton Clothes

†3059. SHRI R.S. GAVAI: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that despite substantial demand of cotton clothes in America, India is unable to reap benefits at par with Bangladesh and Sri Lanka:

(b) if so, the reasons therefore; and

(c) the steps Government intend to take to boost export of cotton clothes from India?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA): (a) No, Sir.

In fact, according to US Customs data growth of exports of Cotton clothes (Apparels) from India into US is more as compared with the growth of exports of cotton clothes (Apparels) from Bangladesh as well as Sri Lanka during Jan-Oct 2005 in value terms. In the case of Cotton textiles (non-apparels) while exports from India have grown by 32.01%, exports from Bangladesh and Sri Lanka have declined sharply by (-) 23.21% and (-) 25.01%, respectively. Table below indicates the details of exports of Cotton cloths (Apparels) and Cotton Textiles (non-apparels) from India, Bangladesh and Sri Lanka during Jan-Oct 2005 :-

(Figures in million US$)

Exporting Country	2004		2005		% Growth	
	Apparel (Cotton)	Non-Apparel (Cotton)	Apparel (Cotton)	Non-Apparel (Cotton)	Apparel (Cotton)	Non-Apparel (Cotton)
India	1351.70	2077.92	1891.94	2742.99	39.97	32.01
Bangladesh	1044.38	54.72	1397.52	42.02	33.81	(-)23.21
Sri Lanka	727.51	10.74	888.79	8.067	22.17	(-)25.01

Source: US Customs Data

(b) Does not arise.

† Original notice of the question was received in Hindi.

(c) The followings steps have been taken by the Government to boost India's export of textile items including cotton clothes:—

(i) 100% Foreign Direct Investment is allowed in the textile sector under the automatic route.

(ii) The Government has de-reserved the readymade garments, hosiery and knitwear from the SSI sector.

(iii) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1-4-1999 to facilitate the modernisation and upgradation of the sector.

(iv) To improve the productivity and quality of cotton, Government has launched the Technology Mission on Cotton (TMC). Incentives are provided for better farm practices, quality seeds, improvement in market infrastructure and modernisation of ginning & pressing sector.

(v) With the objectives of imparting a focused thrust to set up apparel units of international standards and upgrading infrastructure facilities at important textile centres, the Government had launched the Apparel Park for Exports Scheme (APES), and Textile Centre Infrastructure Development Scheme (TCIDS). Under these two schemes 30 projects have been sanctioned with an estimated support from Government of India of Rs. 462.50 crore. However, after reviewing the implementation of these two schemes, a new scheme, namely, Scheme for Intergrated Textile Parks has been launched by merging the two schemes. This scheme is based on Public-Private Partnership (PPP), and would equip the industry with world-class infrastructure facilities for setting up their textile units to meet international environmental and social standards. Government of India support under the scheme by way of grant or equity shall be limited to 40% of the project cost, subject to a ceiling of Rs. 40 crore.

(vi) The fiscal duty structure has been generally rationalised to achieve growth and maximum value addition within the country. Except for madatory excise duty on man-made filament yarns and man-made staple fibres, the whole value addition chain has been given an option of excise exemption.

(vii) The import of specified textiles and garment machinery items has been allowed at a concessional rate of customs duty to

encourage investments and to make our textile products competitive in the global market. The cost of machinery has also been reduced through fiscal policy measures.

(viii) For the speedy modernisation of the textile processing sector, Government has introduced, *w.e.f* 20.4.2005, a credit linked capital subsidy scheme @ 10% under TUFS, in addition to the existing 5% interest reimbursement.

(ix) The National Institute for Fashion Technology (NIFT), its seven branches, and the Apparel Training & Design Centres (ATDCs) are running various courses/programmes to meet the skilled manpower requirements of the textile industry, especially apparel, in the field of design, merchandising and marketing.

(x) Facilities like eco-testing laboratories have been created to enable exporters to get garments/textiles pre-tested so that they conform to the requirements of the importing countries.

Sanction of AEZ for potatoes in Hassan, Karnataka

3060. SHRIMATI PREMA CARIAPPA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government have received any proposal from the Government of Karnataka requesting for sanctioning AEZ for potatoes in Hassan in Karnataka;

(b) if so, the details thereof; and

(c) the reasons for the delay and by when the said proposal would be sanctioned?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) Yes, Sir.

(b) The proposal for setting up of Agri Export Zone (AEZ) for potato envisaging a total investment of Rs. 179 crores covers the districts of Hassan, Chickamagalur, Dharwar and Belgaum in Karnataka.

(c) A peer evaluation of the performance of the existing AEZs, with a view to ascertain the reasons for shortfall in achievement of targets